



## SECTION 11

# Information Technology Portfolios

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## 11.1 Information technology portfolios and the budget context

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### IT project requests need to reflect the portfolio planning and management process

The Information Services Board (ISB) and the Legislature have adopted information technology (IT) portfolios as the planning and management process for IT resources. The portfolio management process integrates agency strategic planning, technology planning, and the budget process.



The portfolio includes all of an agency's current and planned IT assets, projects, investments and acquisitions that are important to the organization. **Agencies making budget requests for IT investments should do so in the context of their IT portfolios. Also, the agency's IT portfolio must include significant IT budget request items.**

ISB policies regarding portfolio management are available at <http://isb.wa.gov/policies.aspx>.

### IT Portfolio resources

Agencies should contact their Department of Information Services consultant early in the planning process for any significant IT budget request item. The consultant can also be contacted for additional assistance or information on the IT Portfolio.

Agencies may also find valuable information and guidance on analyzing and building a business case for information system options at this Information Services Board link: <http://isb.wa.gov/committees/coresystems/index.aspx>.

### Agencies should consider common system solutions first

From a state enterprise perspective, certain business needs may be best met through common, central systems or services. The budget review process will include an evaluation of all planned IT investments in an agency's portfolio for alignment with enterprise services or solutions.

**OFM Accounting Division and ISB/DIS approval is required for financial or administrative systems investments**

Agencies must receive written approval from the OFM Assistant Director for Accounting before beginning any significant financial or administrative system development, enhancement, or acquisition. (Per SAAM 80.30.88.b, “significant” means requiring the equivalent of six or more staff-months of effort.) Written approval from ISB and DIS must also be obtained. Approval is required regardless of the funding source or whether additional funding is requested. **The OFM approval letter must accompany decision packages requesting funding for financial or administrative systems.**

The approval process takes approximately 60 days and focuses on how well the proposed investment fits with the *Roadmap* plan (see next section). If OFM Accounting or DIS find that an agency lacks the information to determine whether a system will involve a significant investment in financial or administrative systems technology, the agency may be asked to study its needs further and resubmit its request at a later time.

More information about the approval process, requirements, and evaluation criteria can be found in Section 80.30.88 of the Statewide Accounting and Administrative Manual (SAAM) at <http://www.ofm.wa.gov/policy/80.30.htm> and the system approval page at <http://www.ofm.wa.gov/systemsapproval/default.asp>.

**Agency financial and administrative systems investments must fit with the *Roadmap* plan**

Over the next ten years, the *Roadmap* program will implement incremental financial and administrative policies, processes, data and systems improvements to support:

- Widespread adoption of enterprise best practice business policies, practices, and streamlined business processes to support more efficient delivery of state services to Washington citizens and agencies.
- Improved core enterprise management systems to ensure alignment with performance management directions, to provide valuable strategic management information, and to ensure accountability.
- Leveraging statewide investments in systems and data to reduce costs and achieve economies of scale.

Business processes within the *Roadmap* scope include procurement, accounts payable, vendor information, general ledger, contracts, grant and project accounting, accounts receivable, cost accounting, budgeting, allotments, and asset management. Financial and administrative business processes also include the human resources, payroll, and labor distribution functionality addressed by the new Human Resource Management System.

Wherever possible, agencies are asked to wait for the *Roadmap* solution rather than investing in agency unique solutions for these business processes. However, the *Roadmap* program recognizes that alternative strategies will be necessary to accommodate some urgent agency business needs that do not coincide with the established scope and schedule of the *Roadmap* program. Requests for approval of systems with a primary or significant focus on *Roadmap* business processes are likely to be denied or substantially restricted unless the proposal contributes to the state's strategic direction for financial and administrative systems. The *Roadmap* [\*Urgent Business Needs Strategy\*](#) document describes the proposed process for reviewing agency proposals.

More information on the *Roadmap* program can be found at: <http://www.ofm.wa.gov/roadmap/default.htm>.

## 11.2 Submittal requirements for information technology requests

**IT-related decision packages must be sent to OFM and DIS**



Agencies must send copies of completed decision packages that include any IT investments to both OFM Budget and DIS. This requirement is not limited to financial or administrative systems investments.

**DIS will assist OFM Budget in evaluating IT budget requests**



The IT portfolio process requires that each proposed investment be rated for the severity and risk exposure that it creates. The severity and risk ratings range from 1 (the least severe and/or risky) to 3 (the most severe and/or risky). For more guidance, refer to the ISB portfolio management policies at <http://isb.wa.gov/policies/planning.aspx>.

Each proposed investment rated level 2 or 3 will be formally evaluated by DIS. Each proposed investment rated level 1 will be informally evaluated by DIS.

**What additional information is needed for an IT investment decision package?**



Agencies must include the severity and risk ratings worksheets with their IT investment decision packages. The decision package must include an Investment Analysis section for each proposed new IT investment. Agencies should contact their DIS consultant early in the process of developing plans that will be used in the analysis. While agencies may supply additional documentation in support of the proposal, the Investment Analysis section must include the following components:

***Description***

- Describe the proposed IT investment, including, but not limited to, expected customers and transaction volume, the nature of the business, and how the current process functions.
- Provide a copy of, or the electronic link to, the agency's most recent IT portfolio.

***Business  
value/metrics, and  
cost-benefit analysis***

- How would the investment change the experiences of the public, business partners, and employees in dealing with the agency? How does the investment support strategic use of the Internet in the delivery of services, and improve open electronic access to agency information?
- Describe the breadth of benefits that accrue in terms of the number of citizens or state and local agencies or programs affected. Document expected benefits with metrics relating to areas such as increased revenue, cost savings, cost avoidance, error reduction, business process improvements, efficiencies for customers, customer satisfaction, coordination of services, and service outcomes. The extent to which these metrics are achieved will represent an important aspect of project success.
- Describe the costs for the proposed investment. Include all investment costs including internal resources, which means that the dollar figures may differ from those in the funding request. Agencies should also explain how the cost-benefit analysis supports the investment decision. Describe the assumptions used and how costs were estimated.

***Enterprise Architecture  
and technological  
feasibility***

- Describe the relationship of the investment to the agency's and the state's IT infrastructure. Does it align with adopted components of the state's Enterprise Architecture program? The link to the Enterprise Architecture program is <http://dis.wa.gov/enterprise/enterprisearch/index.aspx>.
- Describe the agency's track record of success with the proposed technology. How was the proposed technology selected and what alternatives were considered? Does the agency have the IT capacity and resources to support the result of this investment? If not, does the investment provide the required IT capacity?

***Project Management  
and application of  
success factors***

- Describe the approach to manage the investment project, including the application and tracking of success factors, the securing of executive sponsorship, the use of external contractors, the application of continuous risk management techniques, and the development of both a communications plan and a high-level organization plan with assigned roles and responsibilities. The current set of success factors are based on industry research and lessons learned from projects within Washington. A description of the state's Project Management Framework is located at <http://isb.wa.gov/tools/pmframework/index.aspx>.

***IT portfolio and  
business objectives***

- Describe how this investment supports the agency's business objectives, including the business, policy, and technical case for the investment. Consider the business objectives, critical nature of the mission, and resulting efficiency gains in the context of the agency's IT portfolio, its strategic plan, and the recommendations of the Priorities of Government results teams. If the investment was rated level 3, has the agency obtained ISB approval? If not, what are the agency's plans to seek ISB approval?

***E-commerce***

- If the proposal is related to an e-commerce project – an application accepting or disbursing funds or benefits electronically – the agency may be required to prepare an Economic Feasibility Study (EFS). If required, a copy of the approved EFS must be included. For more information on EFS requirements, please refer to the State Administrative and Accounting Manual at <http://www.ofm.wa.gov/policy/40.htm>.

***Support for statewide  
data coordination  
objectives***

- Describe the process for coordinating with other state agencies and other levels of government when appropriate. Describe the proposed information you share in common with other agencies and how your project will help to make the data seamless and comparable, and/or improve the accuracy, integrity, value, or usefulness of the information.

***Additional item for  
enterprise-wide  
application  
investments***

- Describe the process for collaborating with the other agencies involved, the statewide group you are working with, and the lead agency. Where will the enterprise-wide application be hosted and who will provide ongoing maintenance and support? Describe the funding plan, including your agency's percentage of the total application cost, what happens if other agencies' portions of the investment are not funded, and the source of funds for ongoing maintenance and support. If this decision package replicates all or part of an existing or proposed enterprise-wide investment but is not a part of that effort, explain why.

**What criteria will DIS  
use to evaluate IT  
investments?**

DIS will use the following criteria to evaluate requests to fund new IT investments:

- Is the investment consistent with statewide and agency portfolio and business objectives?
- How well does the investment support the objectives of digital government?
- Does the investment demonstrate a high probability of contributing to and/or benefiting from an enterprise-wide solution?
- Does the agency present a sound business and technical case for the investment?
- Is the investment technically feasible?
- Are the estimates for costs, benefits, and schedule reasonable?
- How feasible is the approach to managing the investment? Are project management success factors in place?
- Does the investment demonstrate a high probability of contributing to the success of the agency?
- Has the proposal been coordinated with other state agencies using similar data?

The DIS evaluation will occur within the period established by OFM for decision package review. DIS will formally document and forward its evaluation and recommendations for level 2 and 3 investments to OFM and copy the requesting agency director. DIS also will notify OFM of its recommendations for level 1 investments and copy the requesting agency's director.

**Submittal checklist**

In summary, here are items required to be included in the agency budget submittal for IT project-related decision packages. These elements must be sent to both OFM and DIS.

- Decision package
- Risk and severity assessment
- IT portfolio (either link to an electronic plan or hard copy)
- OFM systems approval letter (if applicable)
- OFM economic feasibility study (if applicable)
- Other supporting documentation (if applicable)